



1026 17th STREET, N. W., WASHINGTON 6, D. C.

## To Share Skills—To Strengthen Security

**T**HE United States is now the world's largest industrial producer and a thriving, economically mature nation. Why? Fundamentally, because she has had tremendous natural resources and has been able to develop them. Development was aided through loans from Europe. The resulting economic security helped promote the stability of our democratic government.

The majority of the world's people, however, live in underdeveloped areas where natural resources lie dormant and where hunger and disease prevent the people from improving their well-being. Many of the 1,075 million inhabitants of these areas are just beginning to compare their living standards with those of the U. S. and are questioning the discrepancy between the two.

Half of these people recently emerged from colonial status to national independence and are attempting self-government. The attempt is made difficult because the citizens are not only illiterate but too poverty stricken to be concerned with politics. Such a situation breeds social unrest and makes more alluring the promises of Communism.

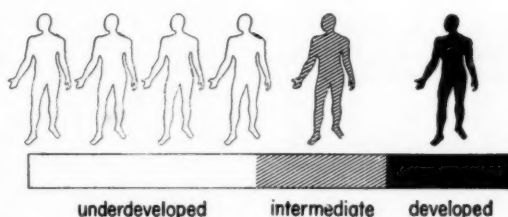
The U. S. is interested in aiding the economic development of these countries because:

*Politically*, the maintenance of peace rests on the prevention of Communist expansion into these areas.

*Economically*, about 73 per cent of our imports of strategic and critical materials and 58 per cent of all our imports come from these countries.

*Morally*, the U. S. by signing the U. N. Charter is committed to cooperate with all nations for the improvement of social and economic conditions.

Economic development may be handled by international agencies, governments, private business and voluntary groups. Such development has long been undertaken\* but it is only recently that large-scale programs have been considered. To date they provide mainly for sending experts to the underdeveloped areas to contribute their knowledge and skills and for bringing citizens of those areas to developed countries for training and experience.



Last year technical assistance programs were begun by the U. N. and the U. S. The U. N. program received \$20 million for the first year's operation, of which the U. S. contributed 60 per cent. There are now approximately 513 experts working with 38 countries, and 93 persons have been sent to other nations for study and training.

The U. S. program, popularly called "Point Four," had funds this year amounting to \$23 million. In both the U. N. and the U. S. programs, the initiative comes from the country desiring aid. In addition to technical assistance the U. N. International Bank and the U. S. Export Import Bank make loans to countries for equipment.

Present programs cannot be regarded as solving all the problems of the underdeveloped areas. To accomplish the broad objectives of Point Four the President asked Mr. Nelson Rockefeller, Chairman of the Advisory Board on International Development, to prepare a comprehensive report on economic development. The report\*\* made several specific recommendations, among which were:

**THAT** the U. S. technical assistance program should be greatly expanded. In addition to sending experts, \$500 million is needed for equipment to increase production.

**THAT** one agency should be responsible for all U. S. foreign aid programs. The agency would work with international agencies and voluntary groups and would secure the cooperation of private enterprise in stimulating investment.

**THAT** the first major task of the new agency would be to encourage "a vigorous food-production drive" since agriculture is the

main occupation in underdeveloped areas.

**THAT** the fullest use should be made of the U. N. and other international agencies.

**THAT** two new international agencies should be created as affiliates of the International Bank: One, an International Development Authority to finance the cost of public works; the other, an International Finance Corporation to make loans in local and foreign currencies to private enterprise.

\*New Ways to Meet Old Problems, League of Women Voters, 15¢

\*\*Partners in Progress, March, 1951, Supt. of Documents, U. S. Government Printing Office, 40¢



## From the PRESIDENT'S Desk

DEAR LEAGUE MEMBER—

If you were to ask: "What was the best thing that came out of our recent Council meeting?" I would say unhesitatingly: "A sense of unity." It seemed to me this meeting of the representatives of every state League provided a unique high point in present-day American political deliberations. A complete objectivity prevailed. The minds of all your delegates were focused on the question: what is best for the country as a whole; how can the League of Women Voters make the most constructive contribution to the wise solution of some of our great public questions; how best can we achieve a realization of the timeless principles on which this nation was founded? Through all the discussion there was a calmness, though a soberness; a complete understanding of the grave dangers facing us, though not the slightest hysteria; a unity of intent and purpose, though sometimes a healthy difference of opinion on the best implementation; an eagerness to do a bigger and better job through a greatly strengthened organization, though a sensible acknowledgment of the practical difficulties facing us.

Besides this sense of unity and dedication, what came out of the Council Meeting? Well, there was agreement that our Program was sufficiently broad and flexible to make it possible for the League to work where it is most needed during the next year.

It was agreed that our primary emphasis should be devoted to understanding and supporting economic development and combatting inflation.

We planned an all-out community education job in an effort to bring about greater public understanding of the causes and cures of inflation—before it is too late.

If the situation should warrant it, we would turn our attention to U.S. security measures and we predicted that the League would have an increasingly important part to play in our communities this year at the observance of UN Day.

We agreed that we could promote a reasonable and sound understanding of the principles involved in the preservation of our individual freedoms.

We recognized that our Voters Service work should have great influence in setting high standards for choosing public officials, especially members of the next Congress.

We found the League all over the nation and in the two Territories healthier, stronger, wiser in every sense of those words. In closing the final session. I looked out upon that assembly of outstanding United States citizens and realized more keenly than ever before that the League can furnish the very backbone of good sense and clear thinking that this country so desperately needs. You and I, the 100,000 individuals who make up the League, could swing the balance of decision in the time ahead. If we so choose, it will demand of each of us much wisdom, much courage, much hard work and an unflinching faith in the principles which our free government embodies. No people anywhere on earth has these qualities in so generous a supply as those who make up the League of Women Voters. Hard as is this task, I am confident it will be well and fearlessly done.

*Percy Maxim Lee*

## Know Your Town—and Vice Versa

EVERYBODY in Rolla, Missouri (population 9300) pretty much knows everybody else. But they don't always know one another in every capacity. A group of women in Rolla found that to be true when they started a provisional League of Women Voters in 1949.

Many of the members had known the mayor of the town as the man from whom they bought their coal, but they had never seen him preside at a council meeting; others were old friends of the various councilmen and school board members but knew little of these men in their official capacities. On the other hand, some officials in the city who knew League members individually as the wives of their co-workers in church or service club regarded them collectively as a "bunch of nosy women."

The Rolla League used the KNOW YOUR TOWN meetings to re-introduce these men and women. They discovered they had many aims in common for their community.

In planning their meeting on the form of city government the League decided to ask the mayor and council members to come as "special guests". It was made clear that they were not to be questioned but were just to sit in and "watch us to assure that our facts are right and to correct us in case of error."

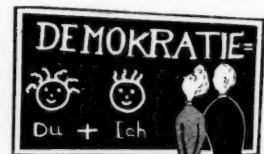
Who could turn down the chance to have all attention focused on his particular interest and yet not have to make a speech? Not the officials of Rolla, Mo. They accepted with alacrity. Nothing was expected of them, but they couldn't resist joining the discussion and a lively meeting resulted.

The first meeting was so successful that all the officials in turn were asked to subsequent sessions. After getting acquainted with the women of Rolla in their new roles as League members the men approved heartily. Every member of the Public Works Board, for example, attended the League meeting on "Streets, Transportation and Public Utilities", and each one privately informed the president of the Rolla League that he was going home to ask his wife, "Why don't YOU belong to the League of Women Voters?"

## Thank You, Sir

"Arbeit von Frauen, Aber Nicht Für Frauen"—"Work by Women But Not for Women" is the characterization of the League's program by Mr. Konrad Mommsen of Frankfurt, Germany. Mr. Mommsen, editor of *Die Neue Zeitung*, was in the United States last fall under the State Department's exchange program. He had heard about the League and wanted to know us better so he made it a point to get in touch with local League presidents in all the cities he visited.

In an article in his newspaper Mr. Mommsen describes the growth of the organization, points out the diversity of our membership, and emphasizes the purpose of the League—the education of citizens. How well he has seen us is shown by the things he picks out for special comment. He devotes two paragraphs to our budget. He is impressed with the 500 men members in Atlanta (we are too!). He describes the Minneapolis candidates' questionnaires. Our nonpartisan policy has special appeal. In short, Mr. Mommsen likes the League. We hope that the things he took back (like this League cartoon) and adapted for use in his country may prove useful to Germans in their role as effective citizens.



# President Asks Strengthened Defense Production Act

"... Here is a bill which reaches into the stockroom, the production line and the cash register of every business in this country—and into the pantry and family purse of every home as well," stated Senator Burnet R. Maybank (D., S.C.) as he introduced (by request) S.1397, the bill which incorporates the President's recommendations for extending and strengthening the Defense Production Act of 1950. Senator Maybank introduced the bill as Chairman of the Senate Committee on Banking and Currency and Representative Brent Spence (D., Ky.) introduced an identical bill as Chairman of the House Committee on Banking and Currency. Hearings on the proposed legislation started in the Senate Committee on May 7 and in the House Committee on May 8.

The President's message containing the recommendations was delivered to Congress on April 26. It requested that the Defense Production Act, scheduled to expire this June 30, be extended for two years. The proposed length of extension is significant since, in the President's words, "we shall be driving urgently forward in our defense mobilization program" for at least two years.

Even though many sectors of the economy are presently experiencing a temporary lull, the full impact of the military build-up has not been felt yet. By the end of this year, the demands of the defense program will be exerting greater pressures on the economy, and the inflationary threat will be more serious than it is now. It is this period for which we must prepare. The Defense Production Act contains fundamental authority necessary to carry out our mobilization aims, according to Mr. Truman. "It contains specific provisions for expanding production and for maintaining economic stability—the two essentials of the defense program."

## The President's Proposals

In his message, the President asked for re-enactment of all the provisions of the present Act, called for stiffer terms in some instances, and recommended that some new sections be added. He again stressed the basic importance of adequate taxation during the present emergency and pointed out that we must also increase personal savings. Taxation and a high level of saving, together with a strong credit program help to cure the cause of inflation by reducing the demand for goods. Increased production, at present, will be devoted to the defense program, and the supply of civilian goods will continue to decrease. The President believes that until the gap between this high demand and the limited supply is closed through the effectiveness of his proposed measures, "price and wage controls are indispensable in checking the price rises which otherwise would result."

## Recommends Additions

Specifically, the President requested that the following measures be added to the Act: That the general power to build defense plants, used in World War II, be given to the Government to be used when and if necessary to increase the production of essential materials and equipment; that the power to give special financial aid to high cost pro-

ducers be granted. Such "differential" subsidies, used during World War II, would help to obtain essential production without increasing price ceilings.

Rent control would be included as a new section of the Act. Present rent control legislation expires on June 30, 1951, and covers only residential rents. The President asked that the new Act authorize effective control of commercial rents as well.

The power to regulate speculative trading on commodity exchanges was also requested.

## Asks Stiffer Terms

In addition to the authority already provided to control consumer credit and real estate credit on new housing, the President said that authority was also needed to control the credit terms on existing housing.

On food prices, the Chief Executive would set the parity price for each farm commodity at the beginning of the marketing season for the product in question. This parity price would then be employed for price control purposes throughout the entire marketing season. At present the parity price is figured monthly.

He also asked that the Act include stronger means to enforce price control regulations.

## Disagreement Expected

The parity proposal will undoubtedly run into stiff opposition. It is reported that both Senator Maybank and Representative Spence have advanced the opinion that the bill has little chance of passing as long as it contains this recommendation. The farm bloc opposes any freeze on parity, since parity is based on the theory that farmers should get a fair return on their goods in relation to their costs.

Farmers' costs fluctuate from month to month and farmers, therefore, are not in favor of a parity price which would be figured only at the beginning of the marketing season.

The proposal to extend credit control to existing housing is also headed for trouble, since real estate groups believe they have been hard hit already by the regulations on new housing. Control of commodity market speculation was urgently requested by the Administration last year in the Defense Production Act, but was not granted. It is expected that it will still be a controversial matter.

The inclusion of commercial rents in the proposed legislation is also expected to provoke arguments, especially since contemplated ceilings would be based on an appropriate date prior to June 24, 1950. The ceilings on residential property still under federal rent control would remain in effect if the bill becomes law. Rent ceilings for new housing and housing in areas that have been decontrolled would be fixed with due consideration being given to the rents in effect from May 24 to June 24, 1950 and could not be above the January 25, 1951 level. It is thought that Congress will not be willing to strengthen rent control in such sweeping terms, although some stiffening of the present legislation is expected.

These are the major arguments that the administration proposals will face, and there undoubtedly will be others. In any event, however, there is general agreement that the Defense Production Act should be extended in some form.

**"In the final analysis, the battle against inflation must be won by the attitude of the individual citizen. . . . I ask my fellow citizens to do their jobs as well as they know how, to be content with reasonable profits, to be content with reasonable wages and to understand the need for higher taxes and the other measures being taken to stem inflation."**

**"I ask them not to hoard, not to throw money away on things that are not needed, not to patronize black markets."**

**"I ask my fellow citizens to keep in mind always the sacrifices they are being asked to make to control inflation are small indeed compared with the suffering—yes, the disaster—that uncontrolled inflation would bring in its wake."**

**CHARLES E. WILSON, Director,  
Office of Defense Mobilization.**



## Senate Vote Expected on Reciprocal Trade

**W**ITHIN days the Senate is expected to vote on extending the Trade Agreements Act, under which the U.S. has conducted trade relations with other nations since 1934. On February 7, the House extended the Act but added four protectionist amendments designed to restrict rather than to expand trade. Since February 22, the Senate Finance Committee has held hearings on the House bill and on April 27 submitted its report. This Committee modified the four amendments and made them administratively more workable; nevertheless their adoption will tend to limit U.S. endeavors to lower trade barriers within the next few years.\*

**The Peril Point Amendment**—The House amendment instructs the Tariff Commission, before the U.S. negotiates trade concessions, to determine a point below which tariffs could not be reduced without injuring domestic producers. It also prevents the Tariff Commission from participating with other agencies in trade negotiations.

The Senate version retains this amendment but the Tariff Commission is again made part of the negotiating team. Many believe that to determine scientifically such a point is almost impossible and the result will be to tend to limit the reduction of tariffs.

**Anti-Communist Amendment**—The House amendment states that no future trade concession shall apply to Communist nations. The Senate bill adds that the U.S. must also terminate its past concessions with these countries but only if it is practicable. The President is to decide whether trade concessions should apply to the Soviet world.

Since U.S. trade with these nations is negligible the amendment might well furnish the Soviets propaganda material against the U.S. and might endanger the property and well-being of Americans in this area.

**Escape Clause Amendment**—The House amendment sets up a procedure whereby producers may apply to the Tariff Commission to withdraw trade concessions if they can prove that imports hurt their business. If the investigation shows that no injury has occurred, the Tariff Commission would still be required to state a point below which imports would inflict injury. The amendment also sets criteria to measure whether such injury had been incurred.

The Senate bill states that the Tariff Commission must report its findings on every investigation but it need not publish a peril point.

\* See President's Letter of February 26, 1951.

The Senate version also adds criteria to measure the occurrence of injury, but this criteria need not be *conclusive* evidence; it is possible that a faulty administrative or financial structure of a business may prevent it from competing successfully with foreign firms.

**Agricultural Amendment**—The House wrote into the Trade Agreements Act a clause that would forbid trade concessions on agricultural products unless their imported sales prices exceeded parity. This could drastically restrict the importation of farm commodities. The Senate Committee deleted this clause and inserted an amendment to offer emergency relief to the producers of perishable commodities when surpluses may flood the market.

**Section on G.A.T.T.**—Since 1945 the U.S. has negotiated trade agreements on a multilateral basis whereby 45 nations work simultaneously to expand trade. Most of the legal authority to negotiate such agreements is contained in the Trade Agreements Act. This multilateral procedure is called the General Agreement on Tariffs and Trade.

The Senate bill states that in extending the Trade Agreements Act, Congress neither approves nor disapproves of G.A.T.T. Some Congressmen wish to review this system of conducting trade negotiations. They believe the Administration exceeded its authority when the U.S. joined G.A.T.T.; to them the Act only authorizes the negotiation of trade agreements on a bilateral, not a multilateral, basis. Some think the U.S. should return to a bilateral system.

Others think the President has sufficient authority to negotiate trade agreements under the Trade Agreements Act and under his general powers to conclude executive agreements. They think conducting trade multilaterally is the most realistic approach to international economic problems. The clause in the Senate bill, if adopted, may point the way to a review by Congress of G.A.T.T.

The House voted to extend the Act for three years but the Senate bill limits extension to two years and gives as a reason the uncertain world situation.

The amendments contained in the House and Senate bills are objectionable to those who advocate the reduction of trade barriers, though the House bill is the more restricting. In their opinion the amendments indicate that the protection of a few domestic producers can prevail over the public good and the national and international goal of stimulating trade and letting the producers of goods from all nations compete on a more equal basis.

### ★ CONGRESSIONAL SPOTLIGHT ★

**Reapportionment (H. R. 2648):** A House Judiciary subcommittee plans to start two months of hearings in selected states about the end of May. After these field hearings, final summary hearings will be held in Washington.

**Tax Bill:** The House Ways and Means Committee, meeting in executive session to write the tax bill, has announced a few tentative decisions. There has been no announcement as to when the final bill and report will be completed.

**Reciprocal Trade\* (H. R. 1612):** On April 27, the Senate Finance Committee reported its version of H. R. 1612.

**Defense Production Act:** Hearings on extension of this Act began before the Senate Banking and Currency Committee on May 7, and the House Banking and Currency Committee on May 8. (See above.)

**D. C. Home Rule (S. 656\*):** After the tie vote in the Senate District Committee (See TRENDS, 4/30/51), Sen. Neeley submitted a Resolution to discharge the Committee

of further consideration of S. 656. There has been debate on this Resolution (S. Res. 133), but no final action.

**Aid to India (H. R. 3791 and S. 872):** On April 26, the House Rules Committee granted a rule to this new bill which puts U.S. aid on a loan basis. The Senate bill (half loan, half grant), also has been cleared for floor debate.

\* Indicates League support.

#### THE NATIONAL VOTER

Vol. I

MAY 15, 1951

No. 1

Published by the League of Women Voters of the U. S. twice a month while Congress is in session; once a month when not in session

1026 17th Street, N.W., Washington 6, D.C.

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Entered as second class matter, April 9, 1951, at the Post Office, Washington, D. C. under the act of March 3, 1879

Free to members \$1.00 per year to non-members